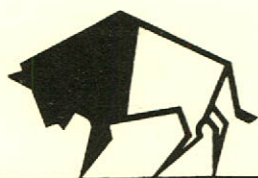




Manitoba Lotteries Commission

**1975 Annual 1976
Report**

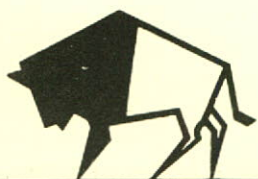


His Honour Francis L. Jobin
Lieutenant Governor of the
Province of Manitoba.

I have the honour to submit the Annual Report
of the Manitoba Lotteries Commission for the year ended
March 31, 1976.

Respectfully submitted,

Honourable Laurent L. Desjardins
Minister of Health and Social
Development and Minister responsible
for the administration of
The Manitoba Lotteries Act.



Report from the Chairman

On behalf of the Board of Directors, I take pleasure in submitting the Annual Report for the Manitoba Lotteries Commission for the fiscal year ended March 31, 1976.

The year 1975/76 saw a number of major changes in the type, nature and method of lottery operations in Manitoba.

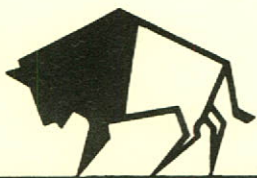
In October, the Manitoba Lotteries Commission, in conjunction with the Western Canada Lottery Foundation, implemented the "bearer" lottery ticket system. This introduction of the "bearer" lottery ticket provided many advantages to the consumer of lottery products including 100% accountability of tickets, a higher percentage return of the lottery dollar in prize funds and lower rates of administrative expenses. In addition, lottery products were now available at most local retail outlets.

The role of the Manitoba Lotteries Commission changed from one of marketing and distributing tickets to solely that of marketing. A new distributing operation, the Western Lottery - Manitoba Distributor, Inc., was established as the wholly owned and operated corporation of the Manitoba Arts Council, the United Way of Winnipeg and the Manitoba Advisory Council on Fitness and Amateur Sport; who share equally in the revenues of this lottery operation.

Also, in the last weeks of the fiscal year, the Manitoba Lotteries Commission introduced a new \$1.00 bi-weekly lottery, the Western Express, which by all indications will prove to be the most successful lottery ever operated in Manitoba.

The Board expresses confidence that these new changes will prove to be most successful in the operations of lotteries in Manitoba.

*Dario J. Perfumo
Chairman of the Board*



Auditor's Report



MANITOBA

PROVINCE OF MANITOBA
PROVINCIAL AUDITOR

THE MANITOBA LOTTERIES COMMISSION

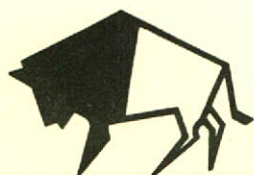
AUDITOR'S REPORT

I report that the accounts and financial statements of The Manitoba Lotteries Commission have been examined under my direction for the fiscal year ended March 31, 1976. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the financial statements, being Exhibits A,B,C, and Schedule 1, together with the notes thereto, present fairly the financial position of The Manitoba Lotteries Commission as at March 31, 1976 and the results of its operations for the year then ended. The financial statements were prepared, except for the change referred to in note 1, on an accounting basis consistent with that of the preceding year and are in agreement with the books of the Commission.

November 24, 1976,
Winnipeg, Manitoba.

W. K. Ziprick, C.A.,
Provincial Auditor.



Manitoba Lotteries Commission

EXHIBIT A

Balance Sheet

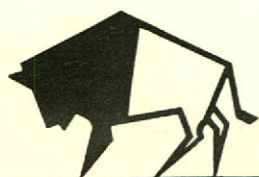
as at March 31, 1976 (with 1975 figures for comparison)

Assets

	<u>1976</u>	<u>1975</u>
Cash on hand and in bank	\$ 138,770	\$ 590,813
Funds on deposit with the Minister of Finance, interest bearing	900,000	643,000
Accrued interest receivable	13,092	9,420
Accounts receivable:		
The Western Lottery - Manitoba Distributor Inc.	362,352	-
Western Canada Lottery Foundation	-	96,384
Other	<u>1,230</u>	<u>6,541</u>
	<u>363,582</u>	<u>102,925</u>
Prepaid expenses	219	325
Olympic Lottery of Canada Corporation tickets on hand, at cost	-	104,513
Furnishings and equipment, at cost	63,630	63,630
Less - Accumulated depreciation	<u>61,869</u>	<u>48,697</u>
	<u>1,761</u>	<u>14,933</u>
Capital contributed to the Western Canada Lottery Foundation	<u>100,000</u>	<u>50,000</u>
	<u>\$ 1,517,424</u>	<u>\$ 1,515,929</u>

Liabilities

Cheques issued and outstanding	\$ 130,319	\$ 275,048
Accounts payable and accrued liabilities:		
Western Canada Lottery Foundation	303,399	-
Commissions to selling agencies	-	123,653
Other	<u>21,485</u>	<u>39,247</u>
	<u>324,884</u>	<u>162,900</u>
Lottery Series in progress (Note 1):		
Western Lottery, Series "AC"	-	202,542
Olympic Lottery of Canada Corporation, Draw "5"	<u>-</u>	<u>7,617</u>
	<u>-</u>	<u>210,159</u>
General Reserve, Exhibit B	<u>1,062,221</u>	<u>867,822</u>
	<u>\$ 1,517,424</u>	<u>\$ 1,515,929</u>



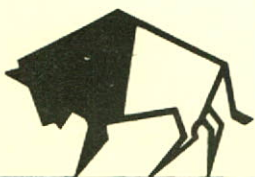
Manitoba Lotteries Commission

EXHIBIT B

Statement of General Reserve

for the year ended March 31, 1976 (with 1975 figures for comparison)

	<u>1976</u>	<u>1975</u>
Balance, beginning of year	\$ 867,822	\$ 828,624
Add:		
Excess of revenues over expenditures, Exhibit C	1,299,929	1,664,674
Book value adjustments on disposal of furnishings and equipment	-	2,723
	<u>1,299,929</u>	<u>1,667,397</u>
Deduct:		
Funds transferred to the Trust and Special Division of the Consolidated Fund for cultural and recreational purposes. These funds are administered by the Government and reported on in the Public Accounts of the Province.	1,100,000	1,600,000
Adjustment of prior years' revenues and expenditures	<u>5,530</u>	<u>28,199</u>
	<u>1,105,530</u>	<u>1,628,199</u>
Balance, at end of year, Exhibit A	<u>\$ 1,062,221</u>	<u>\$ 867,822</u>



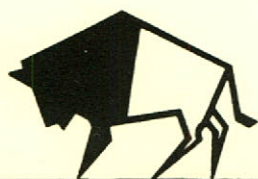
Manitoba Lotteries Commission

EXHIBIT C

Statement of Revenues and Expenditures

for the year ended March 31, 1976 (with 1975 figures for comparison)

	<u>1976</u>	<u>1975</u>
Revenues:		
Net ticket revenues, Schedule 1	\$ 1,800,347	\$ 3,835,702
Investment income	99,836	98,329
Miscellaneous income	<u>34,331</u>	<u>-</u>
Total net revenues	<u>1,934,514</u>	<u>3,934,031</u>
Expenditures:		
Administration, General and Promotion Expenses:		
Acknowledgement receipts - postage, printing and supplies	-	74,373
Advertising and promotion	92,814	138,510
Audit and legal fees	10,007	4,110
Board members' fees and expenses	6,876	4,183
Building rental and maintenance	6,094	13,820
Cartage	963	1,901
Data processing services	-	10,789
Depreciation - furnishings and equipment	17,492	20,004
Draws - exclusive of salaries	-	4,738
Equipment rentals and maintenance	660	1,864
Marketing survey	-	3,800
Miscellaneous	2,772	2,433
Office supplies	6,358	7,912
Postage, telephone and telex	6,390	8,747
Printing of lottery tickets	-	27,113
Salaries	87,815	124,428
Travel	<u>3,053</u>	<u>2,949</u>
	241,294	451,674
Commissions to selling agencies	393,291	1,417,683
Prizes	<u>-</u>	<u>400,000</u>
Total expenditures	<u>634,585</u>	<u>2,269,357</u>
Excess of revenues over expenditures, Exhibit B (Note 1)	<u>\$ 1,299,929</u>	<u>\$ 1,664,674</u>



Sch

for the year ended March 31, 1976 (Notes 1, 2 and 3) (with 1975 figures for comparison)

	Gross <u>Ticket Sales</u>	Less, Commissions Retained by <u>Selling Agencies</u>	<u>Tick</u>
<u>The Western Lottery:</u>			
Series:			
"AC"	\$ 1,766,515	\$ 453,368	\$ 1,
"AD"	1,547,893	394,936	1,
"AE"	1,185,775	302,640	
"762"	342,736	-	
"763"	<u>250,271</u>	<u>-</u>	
	<u>5,093,190</u>	<u>1,150,944</u>	<u>3,</u>
<u>The Western Express Lottery:</u>			
Draw:			
"196"	<u>139,744</u>	<u>-</u>	
<u>The Olympic Lottery:</u>			
Draw:			
"5"	390,843	-	
"6"	768,775	-	
"7"	778,250	-	
"8"	<u>737,100</u>	<u>-</u>	
	<u>2,674,968</u>	<u>-</u>	<u>2,</u>
Balance, March 31, 1976, Exhibit C	<u>\$ 7,907,902</u>	<u>\$ 1,150,944</u>	<u>\$ 6,</u>
Balance, March 31, 1975, Exhibit C	<u>\$ 6,606,486</u>	<u>\$ 1,559,702</u>	<u>\$ 5,</u>

Schedule of Net Ticket Revenues

<u>Net Ticket Sales</u>	<u>Less, Tickets Purchased from the Western Canada Lottery Foundation</u>	<u>Schedule 1 Net Ticket Revenues</u>
313,147	\$ 634,283	\$ 678,864
152,957	546,364	606,593
883,135	659,815	223,320
342,736	220,817	121,919
<u>250,271</u>	<u>161,727</u>	<u>88,544</u>
<u>942,246</u>	<u>2,223,006</u>	<u>1,719,240</u>
<u>139,744</u>	<u>144,000</u>	<u>(4,256)</u>
390,843	368,433	22,410
768,775	723,840	44,935
778,250	768,996	9,254
<u>737,100</u>	<u>728,336</u>	<u>8,764</u>
<u>674,968</u>	<u>2,589,605</u>	<u>85,363</u>
<u>756,958</u>	<u>\$ 4,956,611</u>	<u>\$ 1,800,347</u>
<u>046,784</u>	<u>\$ 1,211,082</u>	<u>\$ 3,835,702</u>



THE MANITOBA LOTTERIES COMMISSION

Notes to Financial Statements
March 31, 1976

1. During the preceding fiscal year the Western Canada Lottery Foundation was established to carry on an interprovincial lottery scheme. During the current year, on completion of Western Lottery Series "AE", the Foundation discontinued the sale of registered lottery tickets and began the sale of bearer tickets.

The operations of The Manitoba Lotteries Commission changed significantly upon the establishment of the Foundation in that the provision for prizes and the major administrative functions formerly carried out by the Commission are now carried out by the Foundation. On completion of Western Lottery Series "AC" and Olympic Lottery Draw "5", which were shown on an accounting basis reflecting lotteries in progress as at the end of the preceding fiscal year, subsequent operations were of a kind where showing lotteries in progress would not be meaningful, consequently, this accounting policy was discontinued. As a result of this change in accounting policy the excess of revenues over expenditures for the year increased by approximately \$100,000.

2. During the year ended March 31, 1976 a non-profit corporation, The Western Lottery - Manitoba Distributor Inc., was established for the purpose of distributing lottery tickets on behalf of the Commission effective with the Western Lottery Series "762".
3. In accordance with a requirement of the Western Canada Lottery Foundation, tickets purchased from the Foundation include a levy of five percent on Western Lottery gross ticket sales for a "Ministerial Special Fund" administered by the Foundation. The "Ministerial Special Fund" is used to provide financial support to national and interprovincial sporting events as authorized by the Provincial Ministers.

